



NEW ORLEANS

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Session 102

The Return of Title IV Funds





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Operational Definition

During this presentation, a student is one for whom an institution has confirmed eligibility for an initial disbursement of Title IV funds.



For fast help, call





In the event of the death of a student

1. Return calculation required
2. School returns funds if due
3. No return from student





In the event of the death of a student (contd.)

4. No post-withdrawal disbursement
5. No report to NSLDS, no referral to ED Collections
6. Notify estate of cancellation benefits





In the event of the death of a student (contd.)

Institutions that are not required to take attendance

- In cases where the withdrawal is due to circumstances beyond the student's control, the withdrawal date is related to the circumstance.





Withdrawals after the 60% point

1. Make sure student received or was offered all earned aid
2. Must demonstrate that student withdrew after 60% point





Recalculation Required

- Recalculation of a student's eligibility for Pell and campus-based funds is required when a student withdraws before beginning attendance in all classes for which the student was registered.





Recalculation Required

- First you recalculate the student's eligibility for Pell and campus-based aid
- Then, you perform a Return calculation based on the student's revised eligibility.





Aid that could have been disbursed*

1. Include second or subsequent disbursements of a loan in the Return calculation, even if you were prohibited from disbursing the funds
2. But, if you were prohibited from disbursing, you may not actually make a post-withdrawal disbursement of those funds

*This change in policy is not currently in effect. It was included in the presentation to inform the audience that ED has committed to making this change in the future. We are working out the details of the change and will inform institutions once it is effective through a Dear Colleague letter that will provide additional details.





*Transfer or reentry into**

- A credit hour non-term based program, or
- A program that measures progress in clock hours

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Transfer or reentry contd.

If reentry is within 180 days of the day the student ceased attendance, the student is immediately eligible to receive all Title IV funds that were returned when the student previously ceased attendance as well as any funds for the period that were not disbursed because the student withdrew.





Transfer or reentry contd.

If a student **transfers** into a credit hour non-term or clock hour program, or **reenters** a credit hour non-term or clock hour program **more than 180 days after the student withdrew**, the student starts a new payment period when he or she reenters or transfers into the program.





Transfer or reentry contd.

The school treats the hours remaining as if those hours comprise the student's entire program





***Who's afraid of
Negotiated
Rulemaking?***



An institution that is required to take attendance

Current Regulation

The Department determines whether an outside entity requires an institution to take attendance

Tentative agreement

Determination would be made by the outside entity





An institution that is required to take attendance (contd.)

If you are required to take attendance for only some students, you are an institution that is required to take attendance for those students only.





An institution that is required to take attendance (contd.)

- If you are required to take attendance for a limited period of time, you are an institution that is required to take attendance for that limited period of time only.
- Includes attendance for census date purposes if you are required to take attendance continuously for the period.





An institution that is required to take attendance (contd.)

Administrative withdrawal from all classes at an institution that is not required to take attendance = withdrawal as of the date of the administrative withdrawal.





Late Disbursement Regulations





Late disbursement requirements

Areas discussed during negotiated rulemaking

1. Deadline for making late disbursements
2. When an institution must make v. may make a late disbursement
3. Conditions for a late disbursement related to receipt of a SAR/ISIR





Late disbursement requirements (contd.)

Deadline for making a late disbursement

Current Regulation

- 90 days

Tentative Agreement

- 120 days
- May request past 120 days on exception basis if not student's fault





Late disbursement requirements (contd.)

An institution **must** make a late disbursement, or post-withdrawal disbursement, as applicable if a

- student withdraws during a period, or
- student completes period

An institution **may** (at its option) make a late disbursement to a student who dropped below 1/2 time enrollment, but didn't withdraw.





Aid that “could have been disbursed”

- In most cases, the conditions that make a student eligible for a late disbursement must be met in order for Title IV aid to be considered aid that "*could have been disbursed*" and included in the Return of Title IV Aid calculation





Late disbursement requirements (contd.)

Conditions for a late disbursement--SAR/ISIR

Current Regulation

- Must have received SAR/ISIR
- For Pell Grant, must have received valid SAR/ISIR
- SAR/ISIR required for PLUS loan

Tentative Agreement

- SAR/ISIR with official EFC processed by ED
- Valid SAR/ISIR not required for Pell Grant eligibility
- SAR/ISIR not required for PLUS loan





Approved Leave of Absence requirements





Approved Leave of Absence

Current Criteria for granting LOAs

- Generally, one leave of absence in a 12-month period not to exceed 180 days.
- One subsequent leave permitted if it does not exceed 30 days and the institution determines that the subsequent leave is necessary due to unforeseen circumstances.
- Additional leaves permitted if the institution documents that the leaves are granted for jury duty, military reasons, or circumstances related to the Family and Medical Leave Act of 1993.





Approved Leave of Absence

Tentative agreement on criteria for granting LOAs

- Multiple leaves of absence permitted, total of all leaves of absence not to exceed 180 days in a 12-month period.





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Approved Leave of Absence

Request from student

Current

- Institution's policy must require written, signed and dated request

Tentative Agreement

- Institution's policy must require written, signed and dated request that includes the reason for the request





Approved Leave of Absence

Repeat coursework upon return

- **student is still considered to be on a leave of absence**
- **no additional charges permitted**
- **if student never begins attendance at point left off=withdrawal back to beginning of leave**





Timely Return requirements





Timely Return

Issues discussed at negotiated rulemaking

1. What it means to make a timely return
2. Exceptional circumstances
3. Letter of credit requirements
4. Tolerance threshold





Timely return (contd.)

What it means to make a timely return





Timely return (contd.)

Exceptional Circumstances





Timely return (contd.)

Letter of credit requirements





Timely return (contd.)

Tolerance Threshold





Questions?





Thanks for participating!

We appreciate your feedback and comments. We can be reached at

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